

March 14, 2007

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, none of the reportable conditions described above is believed to be a material weakness.

Other conditions came to our attention during the course of the audit which are not considered to be reportable conditions; however, we felt these conditions should be presented to management.

OBsolete INVENTORY

While conducting the inventory observation at both the East and Westbank locations, obsolete inventory was noted. It appears that the obsolete inventory mainly consists of small repair parts for machines that are no longer used and obsolete pipes that can no longer be utilized. We recommend that the organization dispose of obsolete inventory and remove it from the inventory records. This could be accomplished during the organization's semi-annual physical inventory.

This report is intended solely for the information and use of Jefferson Parish Consolidated Waterworks District No. 1, its management, the Legislative Auditor and the Jefferson Parish Government.

Sincerely,

DUPLANTIER, HADJIMANN, HOGAN & BAUER, LLP



WILLIAM S. STAMM, CPA
Partner

HSS/PL



**DUPLANTIER, HRAPMANN,
HOGAN & MATHER, LLP**

CERTIFIED PUBLIC ACCOUNTANTS

1148 Poydras St., Suite 2000 • New Orleans, LA 70112
(504) 586-8964
Fax (504) 525-5888

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March 14, 1997

The Honorable Parish President and
The Honorable Jefferson Parish Council
Jefferson Parish, Louisiana

In planning and performing our audit of the component unit financial statements of the Jefferson Parish Consolidated Waterworks District No. 1 for the year ended December 31, 1996, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit financial statements and not to provide assurance on the internal control structure. However, we noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect Jefferson Parish Consolidated Waterworks District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the component unit financial statements.

POLICY AND PROCEDURE MANUAL

Jefferson Parish does not have a current accounting policy and procedure manual. We recommend that the organization complete the manual and distribute it to all employees affected.

CAPITALIZATION POLICY

Jefferson Parish Consolidated Water District No. 1 has a capitalization policy. However, the policy does not conform to general accounting standards. The current policy only addresses a dollar threshold for capitalizing expenditures. We recommend that the organization revise its capitalization policy to contain criteria used in determining when an expense should be capitalized. The policy should consider whether the expenditure replaces, expands, improves or extends the useful life of the asset.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the component unit financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

March 14, 1997

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, none of the reportable conditions described above is believed to be a material weakness.

Other conditions came to our attention during the course of the audit which are not considered to be reportable conditions; however, we felt these conditions should be presented to management.

OBsolete INVENTORY

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This report is intended solely for the information and use of Jefferson Parish Consolidated Waterworks District No. 1, its management, the legislative Auditor and the Jefferson Parish Government.

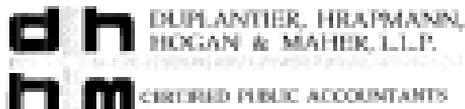
Sincerely,

DUPONTIER, HOFFMAN, HOGAN & RAYNE, LLP

William C. Scott

WILLIAM C. SCOTT, CPA
Partner

WES/rls



DUPLANTIER, HRATSMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

1100 Poydras St., Suite 2000 • New Orleans, LA 70112
(504) 586-8866
Fax (504) 521-5888

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March 14, 1997

The Honorable Parish President and
The Honorable Jefferson Parish Council
Jefferson Parish, Louisiana

In planning and performing our audit of the component unit financial statements of the Jefferson Parish Consolidated Waterworks District No. 1 for the year ended December 31, 1996, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit financial statements and not to provide assurance on the internal control structure. However, we noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect Jefferson Parish Consolidated Waterworks District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the component unit financial statements.

POLICY AND PROCEDURE MANUAL

Jefferson Parish does not have a current accounting policy and procedure manual. We recommend that the organization complete the manual and distribute it to all employees affected.

CAPITALIZATION POLICY

Jefferson Parish Consolidated Water District No. 1 has a capitalization policy. However, the policy does not conform to general accounting standards. The current policy only addresses a dollar threshold for capitalizing expenditures. We recommend that the organization revise its capitalization policy to contain criteria used in determining when an expense should be capitalized. The policy should consider whether the expenditure replaces, expands, improves or extends the useful life of the asset.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the component unit financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

CONSOLIDATED WATERWORKS DISTRICT NO. 1
Jefferson Parish, Louisiana
[INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 1995]

March 14, 1997

The Honorable Parish President and
The Honorable Jefferson Parish Council
Jefferson Parish, Louisiana

We have audited the component unit financial statements of the Jefferson Parish Consolidated Waterworks District No. 1, as of and for the year ended December 31, 1995, and have issued our report thereon dated March 14, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Jefferson Parish Consolidated Waterworks District No. 1 is the responsibility of the organization's management. As part of obtaining reasonable assurance about whether the component unit financial statements are free of material misstatement, we performed tests of the organization's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the component unit financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Jefferson Parish Council, management, and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Douglas W. Chapman, Mayor & Board Chair

CONSOLIDATED WATERWORKS DISTRICT NO. 1
Jefferson Parish, Louisiana
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 1995

(Continued)

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in accounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

We noted an other matter involving internal control structure and its operation that we have reported to management of Jefferson Parish Consolidated Waterworks District No. 1 in a separate letter dated March 24, 1997.

This report is intended for the information of the Jefferson Parish Council, management, and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Debra L. Thompson, CPA & Martin LLP

CONSOLIDATED WATERWORKS DISTRICT NO. 1
Jefferson Parish, Louisiana
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
GIVEN ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 1995

March 14, 1997

The Honorable Parish President and
The Honorable Jefferson Parish Council
Jefferson Parish, Louisiana

We have audited the component unit financial statements of the Jefferson Parish Consolidated Waterworks District No. 1, as of and for the year ended December 31, 1995, and have issued our report thereon dated March 24, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement.

The management of the Waterworks District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of component unit financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the component unit financial statements of the Jefferson Parish Consolidated Waterworks District No. 1, for the year ended December 31, 1995, we considered its internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

SPECIAL REPORTS OF CERTIFIED
PUBLIC ACCOUNTANTS

CONSOLIDATED WATERWORKS DISTRICT NO. 1
Jefferson Parish, Louisiana
Schedule of Changes in Assets
Restricted for Revenue Bond Debt Service

For the Year Ended December 31, 1995

	Revenue Bond Sinking Fund	Revenue Bond Reserve Fund	Capital Additions and Contingencies Fund	Total
Restricted assets, January 1	\$ 287,888	\$ 835,127	\$ 1,737,108	\$ 2,860,123
Revenues:				
Transfers from operating and construction funds	954,634	-	1,082,131	1,936,765
Interest earned on investments	17,852	87,822	145,862	251,536
Total restricted assets available	<u>1,131,352</u>	<u>922,949</u>	<u>2,964,802</u>	<u>5,079,104</u>
Expenditures:				
Taxes	-	59,158	-	59,158
Principal payments	825,808	-	-	825,808
Interest payments	88,808	-	-	88,808
Bank charges	1,762	-	-	1,762
Total expenditures	<u>904,382</u>	<u>59,158</u>	<u>-</u>	<u>963,540</u>
TOTAL ASSETS RESTRICTED FOR REVENUE BOND DEBT SERVICE	\$ 226,970	\$ 863,791	\$ 2,964,802	\$ 4,114,463

SUPPLEMENTARY INFORMATION

UNION-SPONSORED INVESTMENT DISTRICT NO. 1
JEFFERSON PARISH, LOUISIANA
Notes to Financial Statements (Continued)
December 31, 1990

NOTE 2 - DEFERRED COMPENSATION PLAN (continued)

Investments are managed by PERKIN. The choice of the investment option(s) is made by the participant.

NOTE 3 - PENSION-DEFERRED (PLAN) (continued)

Health Care:

In addition to providing pension benefits, the Parish provides certain health care benefits for retired employees as authorized by Resolution No. 1993. Substantially all employees who reach normal retirement age while working for the Parish are eligible. The cost of these benefits are recorded as expenditures when the premiums are paid. The health care premiums for retired employees of the district amounted to \$160,000 and \$171,200 for 1989 and 1990, respectively.

Cost of Living Plan

In addition to the health care benefits noted above, the Parish also provides a supplement to retirees' pensions as authorized by Resolution No. 1978. This benefit is available to retirees participating in either the Individual Retirement System or defined benefit of the Parish's Employees' Retirement System or (persons who have been retired for at least one year). This additional benefit is paid once a year and is calculated as 2% of the monthly benefit (less the number of months the person has been retired including partial years). The amount additional provided is \$200 and the maximum payment is \$1,000. Any additional amounts due to the retiree per these regulations are further reduced by any cost of living adjustment benefits paid by the Parish's Employees' Retirement System or Louisiana law available to all plan participants. This additional benefit is funded by the general fund of Jefferson Parish. Thus, there is no liability to the District.

NOTE 4 - BOARD COMPENSATION

The District has no board compensation, as the governing authority is the Jefferson Parish Council (also incorporated in 82-010447 in the Parish's Comprehensive Annual Financial Report).

CONSOLIDATED MEMORANDUM REPORT NO. 1
Jefferson Parish, Louisiana
Issues in Financial Statements (Continued)
December 31, 1996

NOTE B - DEFERRED PLAN (1996 Issues)

TIERS INFORMATION

Historical trend information for the single-employer plan is as follows:

	1996 PLAN COMPOSITION (%)
Net assets available for benefits as a percentage of the pension benefit obligation:	
1996	16.02
1995	15.78
1994	17.22
Deferred benefits in excess of pension benefit obligation as a percentage of covered payroll:	
1996	64.39
1995	63.04
1994	59.02
Employer contributions to the pension plan as a percentage of covered payroll:	
1996	4.73
1995	4.99
1994	4.28

Showing the unfunded benefits in excess of pension benefit obligation as a percentage of covered payroll substantially adjusts for the effects of inflation for analytical purposes.

Historical trend information is presented in order for a reader to assess the progress made in accumulating sufficient assets to pay pension benefits as they become due. Ten-year historical trend information is presented in the supplemental information section of this report for the Parish Plan. Ten-year historical trend information for the State Plan is available in the separately issued Political Employees' Retirement System's December 31, 1996 Comprehensive Annual Financial Report.

NOTE B - DEFERRED COMPENSATION PLAN

The Parish offers the employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, which is accounted for as an Agency Fund in the Parish's Comprehensive Annual Financial Report, is available to all Parish employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or administrative emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are deemed paid or made available to the employee or other beneficiary solely the discretion and liability of the Parish without being restricted by the provisions of benefits under the plan, subject only to the claims of the Parish's general creditors. Participants' rights under the plan are equal to those of general creditors of the Parish in an asset liquidation. Participants' rights of the deferred amount for each participant.

The Parish's legal counsel believes that the Parish has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. The Parish believes that it is unlikely that it will ever be unable to satisfy the claims of general creditors in the future.

LEGISLATIVE BUDGET COMMITTEE NO. 1
Jefferson Parish, Louisiana
Notes to Financial Statements
December 31, 1996

NOTE 6 - PENSION PLANS (continued)

Contributions required and made for the Parish Plan is comprised of the following as of December 31, 1996:

	1996
	\$,000
Contributions required:	
Parish Plan	\$ 200,000
Administration of unfunded	
adjusted actuarial liability	<u>150,000</u>
	<u>\$ 350,000</u>
Contributions made:	
Employer	\$ 1,200,000
Employee	<u>100,000</u>
	<u>\$ 1,300,000</u>
Contributions made as a	
percentage of covered benefits:	
Employer	\$ 720,000
Employee	<u>100,000</u>

The contributions of the State Plan are established by State Statute. Any additional amounts required to meet the total actuarial determined contribution requirements for any given year are provided from Louisiana Insurance Premium taxes. In the event that the Louisiana Insurance Premium Tax Fund is depleted, the Louisiana Legislative Budget Committee will increase the Parish's contribution to provide the additional amount required. For 1996, employers and employees were required to contribute into the plan as follows:

	1996
	\$,000
Contributions required	
and made:	
Employer:	
Contribution percentage	7.00%
General payroll percentage	<u>1.75%</u>
Amount	\$ 1,000,000
Employee:	
Contribution percentage	8.00%
General payroll percentage	<u>8.00%</u>
Amount	<u>\$ 1,100,000</u>
	<u>\$ 2,100,000</u>

CONSOLIDATED FINANCIAL STATEMENTS NO. 1
 Jefferson Parish, Louisiana
 Notes to Financial Statements Consolidated
 December 31, 1998

NOTE 6 - PENSION PLANS (continued)

	PENSION PLAN
 Pension benefits obligations:	
Active and beneficiaries	
currently receiving benefits and	
terminated employees not yet	
receiving benefits	\$50,375,340
 Current employees:	
Accumulated employee contributions	5,475,340
Employer-financed vested	5,132,481
Employer-financed unvested	3,885,381
	14,493,202
 Total pension benefits obligation	31,882,138
 Net assets available for benefits, at year	
 end (actuarial asset liability value) - \$18,094,199	14,000,000
 Unfunded pension	
 benefits obligation	\$17,882,138

The Parish Plan, a cost-sharing multiple-employer plan, does not conduct separate measurements of assets and pension benefits obligations for individual employees.

	PARISH PLAN AS OF DECEMBER 31, 1998
 Total pension benefits obligation	\$50,375,340
 Net assets available for benefits	14,000,000
 Unfunded pension benefits obligation	\$36,375,340

No changes in actuarial assumptions or benefit provisions that would significantly affect the valuation of the pension benefits obligations occurred during 1998.

CONTRIBUTIONS REQUIRED AND PAID

The funding policies of the Parish Plan provide for contributions at actuarially determined rates that are sufficient to pay benefits when due. The actuarial value of the Parish Plan are determined using the entry age normal cost method with the unfunded actuarial accrued liability being funded over a 30 year period. The Parish Council authorizes the contribution rates each year. Significant actuarial assumptions used to compute periodic contribution requirements are the same as those used to determine the standardized benefit of the pension benefits obligation.

1986 RYAN AIRWAYS TRUST NO. 1
Delaware Trust, Limited
Notes to Financial Statements
December 31, 1986

NOTE 4 - PENSION PLANS (continued)

CURRENT MEMBERSHIP

Current membership in the single-employer plan (The Parish Plan) is comprised of the following as of December 31, 1986:

	<u>Dollars</u> <u>Millions</u>
Active and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	84
Active plan participants vested	50
Total	<u>134</u>

Approximately 90% for the Parish Plan, a non-union multiple-employer plan, is not available to individual employees.

Standard Costs and Reserves

The amount shown below as the "pen for benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, intended to be payable in the future as a result of employee service to date. The measure is the actuarial present value of projected pension benefits and is intended to (1) help users assess the Parish Plan's funding status on a going-concern basis, (2) assess progress made in accumulating sufficient assets to pay benefits when due and (3) allow for comparisons among plans in employer rate-of-cost plans.

Because the standardized measurement is used only for disclosure purposes, the measurement is independent of the methods used to determine contributions to the Plan. The pension benefit obligation for the Parish Plan was determined as part of actuarial valuations as of December 31, 1986. Significant actuarial assumptions used to determine the standardized measure of the pension benefit obligation are summarized as follows:

	<u>Percent</u> <u>Change</u>
Rate of return on the investment of present and future assets	0.0%
Projected salary increases due to inflation	1.0%
Merit or seniority non-contributory benefits increases	1.0%
	Not Fixed

The standardized measure of the pension benefit obligation for the Parish Plan is comprised of the following as of December 31, 1986:

GENERAL AND FINANCIAL REPORT NO. 1
Jefferson Parish, Louisiana
Notes to Financial Statements
December 31, 1986

NOTE 6 - PENSION PLANS (Continued)

PLAN MEMBERSHIP

Substantially all of the Parish's full-time employees, except the firemen, are participants in the Employees' Retirement System of Jefferson Parish (the Parish Plan), a single employer defined benefit pension plan, and the Parish's Employees' Retirement System of Louisiana (the State Plan), a multi-employer multiple-employer defined benefit plan.

The Parish Plan covers employees who were hired prior to December 31, 1975. As of that date, the Parish Plan was merged with the State Plan and members of the Parish Plan are herein members of the State Plan. Employees hired subsequent to the merger of the two systems may participate only in the State Plan.

PLAN DESCRIPTION

The Employees' Retirement System of Jefferson Parish (the Parish Plan)

Employees who were hired prior to December 31, 1975 participate in both the Parish and State Plans. Benefits for these employees are provided primarily by the State Plan. The benefits provided by the Parish are limited to amounts resulting from differences between benefits provided by the two systems. Under the Parish Plan, employees with 10 years of service may retire at age 55, and employees with 20 years of service may retire at age 50, and employees with 30 years of service may retire upon retirement at age 45. Employees who are members of the Parish Plan, only receive benefits equal to 1 percent of the highest three-year average annual compensation plus 2 percent of the first \$2000 of average compensation for each year of service. The benefits for employees who are members of the Parish Plan only, with less than 20 years of service, are reduced by 1 percent for each year for each year they receive benefits (until the age of 45). Employees who are members of both the Parish and State Plans receive benefits equal to 2 percent of the highest three-year average annual compensation for each year of service (subject to any amount paid by the State Plan). The total annual payments of these systems may not exceed 10 percent of the member's final average compensation. Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death, under certain conditions, are payable to the retiree's surviving spouse and minor children.

General Employees' Retirement System of Louisiana (the State Plan)

Under the State Plan, a member is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, or 25 years of creditable service and is at least 55 years old, or 10 years of creditable service and is at least 60 years old. The monthly retirement benefit is equal to 2 percent of the member's average monthly compensation for any 36 months of compensation history in which compensation was highest, and limited by eight of creditable service. Not to exceed 100 percent of monthly final compensation. All amounts payable are payable monthly for the life of the retiree, and upon the retiree's death, under certain conditions, are payable to the retiree's surviving spouse and minor children.

GENERAL PAYOUTS

The Parish's total payroll, as well as the covered payroll, for each of the plans for the year ended December 31, 1986, were as follows:

	<u>COVERED</u>
Parish Plan	\$7,475,088
State Plan	67,554,734

CONSOLIDATED FINANCIAL STATEMENT NO. 1
JEFFERSON PARISH, Louisiana
Notes to Financial Statements (Continued)
December 31, 1990

NOTE 6 - RISK MANAGEMENT

GENERAL LIABILITY

The Parish is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect the and insure the continued value of assets, the Parish has established a General Liability Fund for insurance services through under this program, the General Liability Fund provides coverage for up to a maximum of \$100,000 for each party's compensable claim, \$500,000 for each general liability claim, and \$200,000 for each subsisting claim. The Parish also purchases commercial insurance for claims in excess of coverage provided by the fund.

The Parish makes payments to the fund based on management's evaluation of the amounts needed to pay prior and current year claims. These payments ("premium") are reported as quasi-revenue transactions. The parish's premiums were \$443,351 and \$1,340,344 for 1989 and 1990, respectively.

As December 31, 1990, the total outstanding claims liability of the General Liability Fund was \$23,000,000, which includes an estimated liability for incurred but not reported claims of \$6,779,440. The estimate of such liability is determined by the third-party administrator based on historical information and underwriting experience. These liabilities are based on the requirements of Louisiana law, "Accounting and Reporting Relating to Risk Financing and Related Insurance Issues," which requires that a liability for claims be reported in information prior to the issuance of the financial statements if it is probable and the amount of the loss can be reasonably estimated. This liability is not available to individual funds.

HEALTH INSURANCE

The Parish provides health and accident insurance to its employees and family through health maintenance organization (HMO) and point of service arrangements (POS). Under these types of programs, the parishist pays minimal premiums based on the level of the employee's participation and may be further liable from any claims.

The total amount of contributions by the parish for health insurance was \$224,452 and \$224,311 for 1989 and 1990, respectively.

UNEMPLOYMENT COMPENSATION

The Parish is self-insured for unemployment claims filed with the state. To protect the and finance these claims, the Parish has established a Self-Insurance Fund for incurred services through whereby each fund contributes 40 percent of its gross payroll into the fund. In 1990, the contribution was \$220,047.75 compared with \$224,311 for 1989. An additional funding is needed to cover subsisting claims.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

LITIGATION

The parish is a defendant in a number of claims and lawsuits involving primarily tort personal injury, property damage, and construction claims. The Parish liability and the various administrators of the Parish's Risk Management Fund have reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the parish and to arrive at an estimate, if any, of the amount or range of potential loss to the parish. As a result of such review, the various claims and lawsuits have been categorized into "resolvable," "unresolvable potential," and "unresolvable and speculative," as defined in Paragraph 6 of the claims and judgments, loss contingencies standards as it is incorporated as "resolvable" have been accrued in other liabilities of the Parish as December 31, 1990. The Parish's "unresolvable potential" loss contingencies as December 31, 1990, for which an amount of liability can be estimated, approximates \$100,000.

NOTE 8 - PENSION PLANS

The parish's employees participate in the retirement systems described below. Total payroll expense recorded by the Parish for 1990/1991 for the retirement systems for the year ended December 31, 1990, was \$27,171 as compared to \$29,284 for December 31, 1989.

Actual data and other information of the two plans, as it relates to the parish, is unavailable for the separate component parts of the parish.

COMMISSIONERS' REPORT DISTRICT NO. 1
 JEFFERSON PARISH, LOUISIANA
 STATE OF FINANCIAL STATEMENTS (Continued)
 December 31, 1998

NOTE 1 - AD VALOREM TAX

The Parish levies an ad valorem tax on property as of December 31 of each year to finance the budget for the following year. The tax is due and becomes an enforceable lien on the property on the first day of the month following the filing of the tax rolls by the assessor with the Louisiana Tax Commissioner (usually December 11). The tax is delinquent 30 days after the due date. Taxes are levied based on property values determined by the Jefferson Parish Assessor's Office. All land and residential improvements are assessed at 50 percent of fair market value, and other property at 75 percent of fair market value. Taxes are billed and collected by the Jefferson Parish Sheriff's Department which receives a certain millage for its services. The taxes levied by the Board of Supervisors for the Parish are not of assessor's jurisdiction and certain fixed-amount taxes, all subject to the 4% limitation on increases of the period for which levied, that the 1998 property tax which was levied to finance the budget for 1998 was recorded as revenue for the year 1998. The 1998 property tax which was levied to finance the budget for 1997 is recorded as deferred revenue at December 31, 1998.

For the year ended December 31, ad valorem taxes were levied on behalf of the District as follows:

PURPOSE	MILLAGE	
	1998	1997
Maintenance and Operations: District 020000 Networks District No. 1	.20	0.00
Capital Improvements: District 020000 Networks District No. 1	4.78	0.00

NOTE 2 - DEPRECIATION

No interest cost was capitalized during the years ended December 31, 1998 and 1997. Interest expense incurred in the District during 1998 was \$67,887 as compared to \$58,098 for 1997.

NOTE 3 - DEFERRED LIABILITY

The District had the following operating transfers as of December 31, 1998:

	DEFERRED LIABILITY	DEFERRED LIABILITY
1998 TRANSFERS TO BE PAID	<u>0</u>	<u>0</u>
Open Bank Exchange Fund Capital Project	\$ 362,400	\$ -
Employee Capital Program	-	51,000
Multi-Purpose Center Capital Project	-	94,470
Open Bank Exchange Tax Capital Project	<u>-</u>	<u>138,770</u>
	<u>\$ 362,400</u>	<u>\$ 184,240</u>

FINANCIAL STATEMENTS
of the
Jefferson Parish Sewerage Commission
for the period ending December 31, 1990

NOTE 2 - RETAINED EARNINGS RESERVE

Retained earnings reserved for revenue bond retirement represents the amount of retained earnings restricted for payment of principal and interest of the former Sewerage and Stormwater District No. 2 revenue bonds.

Retained earnings reserved for construction are as follows:

	TOTAL
Balance, 12/31/89	\$ 11,499,667
Interest earned	889,769
Contributed capital received	-
Construction costs incurred	(11,384,890)
Ad Valorem taxes received	1,445,758
State Revenue Sharing received	471,669
General expenses received	181,807
Transfers in 1991	(1,851,669)
Balance, 12/31/90	\$ 11,372,051

NOTE 3 - WATER SALES

Pursuant to Ordinance #15496, adopted by the Jefferson Parish Council on February 5, 1990, providing water (and) fire rates charged for the use of water, the following rates were applied to billings for all users of the System effective January 15, 1990:

DOMESTIC BILLING OVER INCREASE CHARGES

First 2-4,000 gallons, minimum	\$ 3.00
Next 11,000 gallons	.50
Next 22,000 gallons	.75
Over 25,000 gallons	.83

EL DOMESTIC BILLING OVER INCREASE CHARGES

First 2-4,000 gallons, minimum	\$ 4.00
Next 18,000 gallons	.75
Next 22,000 gallons	.75
Over 100,000 gallons	.83

All other charges, including those for service changes, water meter installations, deposits on new connections, accounts and fire service, sprinkler systems or fire-alarm fire protection system changes, remain the same as previously charged.

BANK OF AMERICA NATIONAL ASSOCIATION
 FEDERAL RESERVE BANK
 STATE OF TEXAS - BALANCE SHEET
 DECEMBER 31, 1988

NOTE 1 - CONSOLIDATED STATEMENT

A summary of changes to the 1988-1989 consolidated financial statements for the year ended December 31, 1988 follows:

	1988	1987	1986	1985	1984	1983	1982	1981	1980
ASSETS									
CASH AND DUE FROM BANKS	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
DEPOSITS	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
SECURITIES	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
LOANS	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
PROPERTY	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
OTHER ASSETS	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
LIABILITIES									
DEPOSITS	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
OTHER LIABILITIES	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
EQUITY	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
TOTAL	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000

TERMINAL SERVICE INTERNATIONAL COMPANY, INC.
407 North Foch, Louisiana
Notes for Financial Statements filed under
December 31, 1966

NOTE 4 - 2007 AND 2008 Debenture (continued)

The following is a summary of the bond payable transactions for the year ended December 31, 1966:

	<u>1966</u>
Outstanding at December 31, 1965	1,775,000
2007 issue	—
Reductions	<u>(800,000)</u>
Outstanding at December 31, 1966	<u>\$ 975,000</u>

The annual cash payments for interest on all debt outstanding as of December 31, 1966, including interest payments of \$95,000 is \$98,500.

Certain assets and retained earnings are shown as appropriated and reserved for the purpose of servicing these bonds. The amount available as of December 31, 1966 is \$1,142,000.

Bond Coverage

The following bond debt service coverage for the year ended December 31, 1966 was 14.42 before depreciation and bond interest payments. It is noted that the net income available for debt service was approximately 75.0% of the highest combined bond principal and interest payments due in any succeeding year. This is calculated as follows:

Net Income (less) before operating transfers	\$ 8,365,125
Less Depreciation	6,700,711
Bond Interest Expense	<u>31,587</u>
Net Income before Depreciation and Bond Interest	<u>1,632,827</u>
Highest combined principal and interest in any succeeding year	<u>\$ 113,400</u>
Bond Debt Debt Service Coverage	<u>14.42</u>

The 1966-67 Bond Debt Indenture requires that net income before depreciation and bond interest payments equal at least 100% of the highest combined bond principal and interest in any succeeding year.

COMBINED FINANCIAL STATEMENTS (continued)
 JEFFERSON PETROLEUM, INC.
 Notes to Financial Statements (continued)
 December 31, 1990

NOTE 7 - PROPERTY, PLANT, EQUIPMENT, DEPRECIATION AND CONSTRUCTION IN PROGRESS (continued)

Construction in progress is comprised of the following at December 31, 1990:

	FINISHED ACQUISITION	EXPENSE TO DATE OF 1990	CONTRACTS	APPLIED TO COST ACCUMULATED
Plant Improvements	<u>\$ 4,320,000</u>	<u>\$ 3,387,000</u>	<u>\$ 2,268,000</u>	NONE

NOTE 8 - EMPLOYMENT AGREEMENTS

All full-time classified employees of the Parish District prior to April 30, 1990, are permitted to accumulate and carry forward from one calendar year to the next a maximum of 90 days of accrued vacation (annual leave) and an unlimited number of days of accrued sick leave. Upon termination of employment, an employee is paid for his accumulated annual leave and, after 10 years of employment, has the option of receiving his unused carryover (if applicable) as cash payment for one-half of his accumulated sick leave. Any employee who has a current balance of 90 or more days of annual leave may be reimbursed for any number up to, but not in excess of, 90 days. For budgetary purposes, requests for reimbursement must be submitted to the Finance Department in writing 60 days prior to October 1 of the year preceding the year in which reimbursement is to be made. As December 31, 1990 the amount of accrued annual and sick leave, and other accrued costs was \$5,581,853 as compared to \$5,217,568 at December 31, 1989.

Part-time classified employees hired after April 30, 1990, are permitted to carry forward to more than 90 days of accrued vacation (annual leave) and an unlimited number of days of accrued sick leave. Upon termination of employment an employee is paid for his accumulated annual leave and after 10 years of employment (maximum) is paid up to 90 days of accrued sick leave.

Salary related costs (i.e., Medicare, Social Security, etc.) have been accrued as of December 31, 1990 in accordance with GASB Statement #56 for those employees hired after April 1, 1988.

NOTE 9 - JOB TO ORDER CONTRACTS

The District has the authority provided by other governmental and governmental agencies for collection of fuel and sewer and garbage service charges on their behalf:

	1990	1989
Jefferson Parish Sheriff	\$ 750	\$ 450
City of Metairie	<u>30,750</u>	<u>24,000</u>
City of Harvey	<u>300,000</u>	<u>250,000</u>
	<u>\$331,500</u>	<u>\$274,450</u>

NOTE 10 - 1987 AND 1988 CONTRACTS

1987

Revenue bonds of the Terrebonne Parishes District No. 2 outstanding at December 31, 1990 are comprised of the following issues:

\$4,000,000 - Water Revenue Bonds dated December 1, 1983 due in annual interest installments of \$80,000 to \$80,000 through November 1, 1997 at 4.00 %	<u>\$ 4,000,000</u>
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CONSOLIDATED FINANCIAL STATEMENTS NO. 1
 JEFFERSON PARISH, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 1996

NOTE 1 - PROPERTY, PLANT, EQUIPMENT, DEPRECIATION AND CONSTRUCTION IN PROGRESS

A summary of changes in property, plant, equipment, depreciation and construction in progress for the year ended December 31, 1996 follows:

	BALANCE		COMPLETED CONSTRUCTION (IN PROGRESS)	NET		BALANCE DECEMBER 31, 1996
	DECEMBER 31, 1995	ADDED DURING 1996		1995 BALANCE	DEPRECIATION DURING 1996	
Buildings	\$ 2,282,730	-	\$ 2,256,949	-	\$ 1,025,655	
Information system	182,445,150	2,000	2,271,436	-	114,265,752	
Trucks	22,717,414	-	2,289,917	-	21,257,267	
Improvements	275,264	-	-	-	275,268	
Special type of literature	2,275,431	2,200	-	-	1,227,276	
Equipment	2,221,436	22,273	14,621	(20,124)	1,271,876	
Telephones	2,222,222	72,271	-	(22,222)	1,222,222	
	<u>27,714,617</u>	<u>144,207</u>	<u>22,272,486</u>	<u>(20,222)</u>	<u>144,221,222</u>	
Land	2,222,222	-	-	-	1,222,222	
	<u>22,222,222</u>	<u>144,207</u>	<u>22,272,486</u>	<u>(20,222)</u>	<u>144,221,222</u>	
Construction in progress	2,222,222	22,222,222	(22,222,222)	-	1,222,222	
	<u>\$ 22,222,222</u>	<u>\$ 22,222,222</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,222,222</u>	

	LIFE	ACCUMULATED DEPRECIATION		NET 1996 BALANCE	ACCUMULATED DEPRECIATION DECEMBER 31, 1996
		DECEMBER 31, 1995	1996 DEPRECIATION		
Buildings	50	\$ 2,222,222	\$ 122,222	-	\$ 2,222,222
Information system	25	22,222,222	2,222,222	-	22,222,222
Trucks	25	22,222,222	2,222,222	-	22,222,222
Improvements	25	22,222	22,222	-	22,222
Furniture & fixtures	10	2,222,222	22,222	-	2,222,222
Equipment	10	2,222,222	22,222	(22,222)	2,222,222
Telephones	5	2,222,222	22,222	(22,222)	2,222,222
		<u>\$ 22,222,222</u>	<u>\$ 22,222,222</u>	<u>\$ (22,222)</u>	<u>\$ 22,222,222</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 JEFFERSON PARISH, Louisiana
 STATE OF FINANCIAL OPERATIONS (Continued)
 December 31, 1998

NOTE C - RECEIVABLES

Receivables consist of the following as of December 31:

	1998	1997	
Accounts	\$2,001,795	\$2,825,844	
All Government Funds	640,000	1,250,000	
Due from Other Governments	1,362	2,000	
Miscellaneous	1,793	78	
Accounts Interest	<u>14,200</u>	<u>61,076</u>	
	<u>\$2,341,990</u>	<u>\$3,738,098</u>	

The financial statements published consolidated all 1997-1998 by the these accounts for water services received by customers in the current year, but not actually billed by the financial entity. The following year, the receivable amounts to \$2,475,004 for 1998 as compared to \$1,021,004 for 1999.

The financial had the following receivable to due from other governments as of December 31, 1998:

Due from Jefferson Parish Sheriff's Department: Multi

NOTE D - RECEIVABLES FROM

Receivables from are comprised of the following for the year ended December 31, 1998:

	REVENUE	CONSTRUCTION	DEPOSIT	CONSTRUCTION	TOTAL
	FROM THE	FUND	FUND	FUND	
	FUND	FUND	FUND	FUND	
Fund	\$ -	\$ 20,120	\$ -	\$ -	\$ 20,120
Construction	201,000	2,497,481	-	-	2,698,481
State of bonded assets	2,140,267	-	10,550,444	-	12,690,711
Revised interest receivable	1,000	-	-	-	1,000
and interest from receivable	-	-	2,300,770	-	2,300,770
due to from other governments	-	-	1,250	-	1,250
	<u>\$2,341,990</u>	<u>\$2,717,561</u>	<u>\$12,851,214</u>	<u>\$10,750,000</u>	<u>\$18,760,765</u>

UNION/STATE WATERBURY SYSTEM NO. 1
Jackson Parish, Louisiana
Notes to Financial Statements (Continued)
December 31, 1998

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. DEPRECIATION, PLANT, AND EQUIPMENT CONCLUSIONS

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements and capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation of these assets is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives may be found in Note 9. Depreciation expense applicable to these fixed assets accumulated through capital construction loans is allowed as to the related unamortized capital amounts under the related contract. It is capitalized preferably under the building contract, inasmuch as these fixed assets have been recorded as additions to amortized capital.

Interest is capitalized on assets acquired after tax-exempt bond. The amount of interest to be capitalized is calculated by applying interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

9. DEFERRED INTEREST

Interest earned (loss) and debt pay (cash) interest are accrued when incurred by the District.

10. FUND BALANCE

Invested capital is recorded for assets acquired by contributions from developers, customers or other funds.

A portion of total retained earnings of the District is reserved to indicate that a part of fund equity is legally restricted for a specific future use. Reserves for reserve bond retirement, construction and from former bondwork and sundry diversions are provided for in the financial statements.

11. CONTINGENT LIABILITIES

Contingent liabilities of the District's December 31, 1998 financial statements have been reviewed and found to be immaterial as reported for comparison purposes.

NOTE 5 - DEPOSITS AND INVESTMENTS

As December 31, 1998, the carrying amount of the District's deposits was \$1,402,850 and the bank balance was \$1,398,768. Some of the District's bank deposits are held at the same financial institutions as other funds of Jackson Parish, which sharing the maximum amount of federal depositary insurance of that institution. No amounts were uninsured or uncollateralized at year end.

The District's investments as December 31, 1998 are categorized below to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes unsecured and unregistered investments for which the same items are held by the counterpart's trust department or agent in the District's name. Category 3 includes unsecured or unregistered investments for which the securities are held by the counterpart, or by the trust department or agent, but not in the District's name.

	CATEGORY			TOTAL AS REPORTED	TOTAL RISK
	1	2	3		
A. Government securities	\$1,275,000	-	-	\$1,275,000	\$1,275,000
B. Investment securities (BMA, FIA, etc.)	127,850	-	-	127,850	127,850
	\$1,402,850	\$0	\$0	\$1,402,850	\$1,402,850

UNION ISLAND WATERWORKS DISTRICT NO. 1
Jefferson Parish, Louisiana
Notes to Financial Statements (Continued)
December 31, 1998

Note 4 - Summary of Significant Accounting Policies (Continued)

4. CASH, INVESTMENTS AND OTHER DEPOSIT FUNDS (Continued)

All of the District's deposits, including time and certificates of deposit, are carried at cost.

Investment contracts placed in the District to insure included States bonds, Treasury notes, or certificates or other obligations of the U.S. Government and agencies of the U.S. Government which are federally insured, and certificates of deposit of state banks organized under the laws of Louisiana and other federal banks having their principal office in the state of Louisiana, or to mutual or other fund institutions which are registered and which have underlying investments limited to securities of the U.S. Government or its agencies.

5. LIABILITIES FOR DEFERRED REVENUES

The District's deferred revenues are reported receivable to be fully collectible accordingly, no allowance for doubtful accounts has been established. Accrued but uncollected amounts are recognized as bad debts on the year information footnote level which would indicate the uncollectibility of the particular receivable.

6. PROPERTY

Inventory of materials and supplies in the District is valued at average cost.

7. RESERVE FUNDS

Ordinance No. 888, which authorized the issuance of the revenue bonds for the former Consolidated Waterworks District No. 2, also restricted certain assets of the District for various purposes related to the bond issue.

The revenue bond sinking fund of the former Consolidated Waterworks District No. 2 was established to pay promptly and fully the principal of and the interest on the revenue bonds. This fund is financed by transferring monthly from the accumulated assets of the District a sum equal to one-tenth (1/10) of the interest falling due on the last payment date and a sum equal to one-tenth (1/10) of the principal falling due on the next principal payment date.

The revenue bond reserve fund of the former Consolidated Waterworks District No. 2 was established to provide solely for the purpose of paying the principal of and interest on bonds payable from the proceeds of revenue bonds sinking fund, should the funds prove to be insufficient. The fund is to be kept at an amount equal to the highest combined principal and interest requirements for any outstanding fiscal year for the revenue bonds issues.

The Capital Expenditure and Contingency Fund of the former Consolidated Waterworks District No. 2 was created for the following priorities:

1. For the purpose of accumulating principal of and interest on any of the bonds payable and to the extent that there is insufficient money in the revenue bond sinking fund and the Revenue Bond Reserve Fund.
2. For the making of improvements, additions, extensions, replacements or repairs to the system.
3. For the creation of a special fund or reserve for any one or more of the foregoing purposes.

This fund is financed by transferring monthly an amount equal to five percent (5%) of the revenues from operations after taxes received have satisfied the requirements of the Revenue Bond Sinking Fund and the Revenue Bond Reserve Fund.

Also included in restricted assets are: 1) the "Customer Water Deposits" amount, which is used to aggregate water meter deposits used to pay any delinquent meter bills when customers discontinue service, and 2) the "Construction Fund" amount, which is used to aggregate those resources accumulated by a contractor from the operating fund to be used for capital improvements and renovations.

8. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment associated with the activity of the District are reported at costs of the fund. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Such assets are capitalized for those acquired through capital contributions.

CONSOLIDATED FINANCIAL STATEMENT No. 1
Jefferson Parish, Louisiana
Notes to Financial Statements
December 31, 1988

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidated Statements of Financial No. 1 of the Parish of Jefferson (the District) was created effective January 1, 1988, pursuant to Ordinance #88-178, adopted by the Jefferson Parish Council on October 4, 1988, and includes all of the territory within Parish East Jefferson Metairie (Parish Number 104) and Consolidated Territory District No. 2 of the Parish of Jefferson, Louisiana which includes the former Independence District No. 1 of Independent State No. 2 of the Parish of Jefferson, Louisiana. The District was established for the purpose of maintaining an adequate supply of water for the residents of the unincorporated and certain incorporated areas of Jefferson Parish, Louisiana. The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

1. BOOKING ENTITY

For financial reporting purposes in conformity with Governmental Accounting Standards Board Statement No. 1, the District is a separate unit of Jefferson Parish, Louisiana (the Parish). The reporting unit is the District itself. The accompanying financial statements present information only as to the transactions of the District and are not intended to present fairly the financial position and results of operations of Jefferson Parish, Louisiana.

2. LEGAL ACCOUNTING

The accounts of the District are organized and operated on a legal basis whereby a separate self-balancing set of accounts that reports the assets, liabilities, fund equity, revenues and expenses is maintained for the purpose of recording in specific activities or activities and related operations in accordance with general regulations, restrictions or limitations. This activity is presented in the accompanying financial statements as follows:

a. Depreciation Fund

(1) The Depreciation Fund is used to account for activities that are financed and operated in a manner similar to private business enterprises where the income of the governing body is that the costs incurred, including depreciation of providing goods or services to the general public or a contract to be to be financed or recovered primarily through user charges.

3. BASIS OF ACCOUNTING

The Depreciation Fund is accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred.

In accordance with Statement No. 20 of the Governmental Accounting Standards Board (GASB), "Accounting and Financial Reporting for Depreciation Funds and Other Governmental Activities that Use Proprietary Fund Accounting," it is the District's policy to apply all applicable GASB pronouncements as well as all financial reporting standards Board statements and interpretations, accounting procedures, regulations and Accounting Principles and Rules of the Committee on Accounting Procedure issued on or before December 31, 1988, unless those pronouncements conflict with or contradict GASB pronouncements. The District has not adopted any financial reporting standards Board Statements or Interpretations, Accounting Principles Board Statements or Accounting Research Bulletins of the Committee on Accounting Procedure issued after December 31, 1988.

4. CASH, INVESTMENTS AND OTHER DEFERRED ASSETS

The "Share of Net Asset" of the District are posted in the appropriate Jefferson Parish Consolidated Fund and recorded directly to the Parish. Interest earned on the pooled investments is allocated to the various funds based on each fund's month-end "Share of Net Asset" balance. Pooled assets are carried at cost plus annual interest.

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased.

Investments are stated at amortized cost, subject to adjustment for market declines (added to the other two categories). Gains and premiums on the purchase of investments are recorded over the life of the investment resulting from the date of purchase to the date of maturity.

NOTE TO FINANCIAL STATEMENTS

CONSOLIDATED WATERWORKS DISTRICT NO. 1
Jefferson Parish, Louisiana
Statements of Cash Flows (Continued)

For the Years Ended December 31, 1995 and 1995

	1995	1995
Cash flows from investing activities:		
Purchases of investments	\$ (37,882,370)	\$ (24,524,317)
Proceeds from sales and maturities of investments	34,733,034	34,592,595
Interest on investments	1,544,283	1,832,487
	(1,605,053)	2,900,765
Net increase (decrease) in cash and cash equivalents	(2,429,977)	2,480,595
Cash and cash equivalents, January 1	23,388,581	20,889,086
Cash and cash equivalents, December 31	\$ 20,958,604	\$ 23,369,681

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Contributions of capital	\$ 12,247	\$ 15,485
Acquisitions of fixed assets with capital contributions	(12,247)	(15,485)
	\$ _____	\$ _____

Cash and cash equivalents at December 31 consists of:

Current assets:		
Cash and cash equivalents	\$ 1,437,898	\$ 2,817,280
Share of pooled assets	725,895	1,742,000
	2,163,793	4,559,280
Restricted assets:		
Cash	85,109	63,812
Share of pooled assets	18,723,794	18,829,467
	18,808,903	18,893,279
Total	\$ 20,958,604	\$ 23,369,681

The accompanying notes are an integral part of this statement.

CONSOLIDATED WATERWORKS DISTRICT NO. 1
Jefferson Parish, Louisiana
Statements of Cash Flows

For the Years Ended December 31, 1999 and 1998

	1999	1998
Cash flows from operating activities		
Operating income (loss)	\$ 714,344	\$ (41,685)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	4,150,721	3,529,182
Changes in assets and liabilities		
(Increase) decrease in receivables	(835,052)	292,346
(Increase) decrease in inventory	(1,305,275)	(237,517)
(Increase) decrease in prepaid expenses	(34,282)	(80)
Increase (decrease) in payables	898,552	52,175
Increase (decrease) in accrued liabilities	151,809	30,482
Increase (decrease) in customers' water deposits payable	89,381	110,237
Total adjustments	3,150,462	4,085,577
Net cash provided by (used for) operating activities	3,884,806	4,044,512
Cash flows from noncapital financing activities		
Taxes	2,273,714	2,145,280
State revenue sharing	688,820	688,820
Federal grants	-	12,821
Intergovernmental revenue	6,360	-
Operating transfers to other Jefferson Parish funds	(200,781)	(84,416)
Net cash provided by (used for) noncapital financing activities	2,768,083	2,768,083
Cash flows from capital and related financing activities		
Taxes	3,473,290	2,215,890
Acquisition of fixed assets	(184,837)	(1,288,348)
Additions to construction in progress	(10,284,682)	(1,841,862)
Principal paid on revenue bond maturities	(635,080)	(795,808)
Interest paid on revenue bonds	(88,880)	(109,848)
Capital contributed by other governments	-	-
Net cash provided by (used for) capital and related financing activities	(7,879,889)	(8,220,232)

(Continued)

CONSOLIDATED WATERWORKS DISTRICT NO. 1
Jefferson Parish, Louisiana
Statements of Revenues, Expenses and Changes in Retained Earnings

For the Years Ended December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Operating revenues		
Water sales	\$ 15,821,327	\$ 14,718,682
Service charges	1,898,838	2,105,087
Sprinkler charges	183,852	188,289
Delinquency charges	473,293	498,208
Installation and reconnection fees	423,232	412,428
Other service charges	154,321	153,145
Total operating revenues	<u>18,954,463</u>	<u>18,038,299</u>
Operating expenses		
Personal services - Salaries & wages	4,670,248	4,582,847
Personal services - Employee benefits	1,258,234	1,265,765
Supplies	888,853	382,987
Purchased Services - Professional and Technical	3,251,548	3,871,683
Purchased Services - Property	2,582,943	2,488,193
Purchased Services - Other	1,423,148	1,353,805
General	43,898	713,812
Depreciation	4,183,721	3,828,186
Total operating expenses	<u>18,075,658</u>	<u>18,878,321</u>
Operating income (loss)	<u>878,805</u>	<u>(840,022)</u>
Nonoperating revenues (expenses)		
Taxes	5,189,771	5,563,187
State revenue sharing	686,828	698,822
Federal grants	-	12,821
Intergovernmental revenues	6,380	-
Interest income	1,623,588	1,883,238
Induced expense	(97,187)	(703,858)
Net gain/(loss) on transfer of fixed assets	-	(1,758)
Nonoperating revenues (expenses)	<u>8,299,790</u>	<u>6,101,211</u>
Income before operating transfers	<u>9,178,595</u>	<u>5,260,948</u>
Operating transfers out	<u>(280,751)</u>	<u>(94,418)</u>
Net income	<u>8,897,844</u>	<u>5,166,530</u>
Add depreciation on property, plant, and equipment acquired by capital contributions that reduces contributed capital	<u>848,075</u>	<u>848,842</u>
Increase in retained earnings	<u>9,745,919</u>	<u>6,015,372</u>
Retained earnings, January 1	<u>102,789,373</u>	<u>96,877,804</u>
Retained earnings, December 31	<u>\$ 112,535,292</u>	<u>\$ 102,893,176</u>

The accompanying notes are an integral part of this statement.

CONSOLIDATED WATERWORKS DISTRICT NO. 1
Jefferson Parish, Louisiana
Balance Sheets (Continued)

December 31, 1998 and 1997

LIABILITIES AND FUND EQUITY	1998	1997
Current liabilities		
Due to other governments	\$ 455,443	\$ 425,423
Accounts payable	455,443	555,321
Retainage payable	152,534	37,542
Sales taxes payable	86,489	47,348
Accrued payroll expenses	1,739,187	1,276,358
Deferred revenue	928,387	2,555,677
Total current liabilities	3,867,083	4,797,669
Current liabilities payable from restricted assets		
Due to operating fund	1,285	-
Contracts payable	1,085,286	374,873
Retainage payable	415,969	576,887
Accrued interest	-	11,433
Customers' meter deposits payable	3,718,684	3,979,203
Current portion of revenue bonds	889,000	828,000
Deferred revenue	3,411,362	3,523,215
Total current liabilities payable from restricted assets	11,519,586	8,892,211
Long-term liabilities		
Revenue bonds (net of current portion)	-	880,000
Total liabilities	15,386,669	14,569,880
Fund equity		
Contributed capital		
Parish	933,080	871,664
Subscribers	2,287,883	2,580,126
Citizens	150,147	235,322
Ad valorem tax bonds	2,874,882	2,341,808
Other governments	2,155,279	2,176,188
Federal government	3,402,181	3,672,385
Total contributed capital	12,803,652	12,847,493
Retained earnings		
Reserved for revenue bond retirement	3,234,428	2,023,791
Reserved for construction	12,978,419	15,650,657
Unreserved	108,189,925	88,174,818
Total retained earnings	114,396,772	105,799,266
Total fund equity	127,200,424	118,646,759
TOTAL LIABILITIES AND FUND EQUITY	\$ 142,587,093	\$ 143,216,639

The accompanying notes are an integral part of this statement.

CONSOLIDATED WATERWORKS DISTRICT NO. 1
Jefferson Parish, Louisiana
Balance Sheets

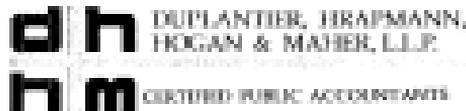
December 31, 1995 and 1994

ASSETS	<u>1995</u>	<u>1994</u>
Current assets		
Cash and cash equivalents	\$ 1,482,095	\$ 2,511,870
Investments	4,847,388	1,897,769
Share of pooled assets	125,000	1,742,808
Receivables		
Accounts	3,681,205	2,825,841
All water rates	640,800	2,276,828
Due from other governments	5,240	3,855
Miscellaneous	1,385	18
Accrued interest	33,974	49,279
Prepaid expenses	40,080	5,212
Inventory, at average cost	<u>3,383,278</u>	<u>2,683,242</u>
Total current assets	<u>14,641,554</u>	<u>13,209,874</u>
Restricted assets		
Revenue bond sinking fund	225,031	227,889
Revenue bond reserve fund	833,583	835,120
Revenue bond capital additions and contingencies fund	2,954,562	1,727,128
Customers' water deposit fund	3,218,982	3,619,333
Construction fund	<u>26,865,282</u>	<u>21,027,142</u>
Total restricted assets	<u>34,722,381</u>	<u>27,686,612</u>
Property, plant, and equipment		
Land	1,243,488	1,243,484
Plant and equipment	<u>184,721,397</u>	<u>183,245,883</u>
	185,964,885	184,489,367
Less accumulated depreciation	<u>(53,121,666)</u>	<u>(53,080,537)</u>
	132,843,219	131,408,830
Construction in progress	<u>1,572,807</u>	<u>4,158,240</u>
Total property, plant, and equipment	<u>134,416,026</u>	<u>135,567,070</u>
TOTAL ASSETS	\$ <u>149,427,748</u>	\$ <u>146,152,556</u>

(Continued)

Our audit was made for the purpose of forming an opinion on the component unit financial statements. The accompanying supplemental information schedules are presented for the purpose of additional analysis and are not a required part of the component unit financial statements of the Jefferson Parish Consolidated Waterworks District No. 1. Such information has been subjected to the procedures applied in the audit of the component unit financial statements and, in our opinion, is fairly stated in all material respects in relation to the component unit financial statements taken as a whole.

Raymond J. Chapman, Morgan & Keeler, L.L.P.



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

1340 Poydras St., Suite 2000 • New Orleans, LA 70112

(504) 588-8868

Fax (504) 325-8888

MEMBER OF THE FIDELITY & SECURITY GROUP
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF THE NATIONAL ASSOCIATION OF STATE SOCIETIES OF CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

March 14, 1997

The Honorable Parish President and
The Honorable Jefferson Parish Council
Jefferson Parish, Louisiana

We have audited the accompanying component unit financial statements of the Jefferson Parish Consolidated Waterworks District No. 1, a component unit of the Jefferson Parish Government under generally accepted accounting principles, as of and for the year ended December 31, 1996, as listed in the index to the report. These financial statements are the responsibility of management of the Jefferson Parish Consolidated Waterworks District No. 1. Our responsibility is to express an opinion on these financial statements based on our audit.

The financial statements of Jefferson Parish Consolidated Waterworks District No. 1 as of December 31, 1995, were audited by other auditors whose report dated April 29, 1996, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Jefferson Parish Consolidated Waterworks District No. 1 as of December 31, 1996, and the results of operations and cash flows for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated March 14, 1997 on our consideration of the Jefferson Parish Consolidated Waterworks District No. 1's internal control structure and a report dated March 14, 1997 on its compliance with laws and regulations.

operational unit is located at 64200000

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TECHNICAL REPORT

GRAVIMETRIC DETERMINATION OF MERCURY IN

WATER BY CATHODIC DEPOSITION

BY J. H. HARRIS

DECEMBER 14, 1954

5196

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check from this
date and month
each month

ST 5000 PL: 30

FINANCIAL REPORT

CONSOLIDATED WATERWORKS

DISTRICT NO. 1

PARISH OF JEFFERSON
STATE OF LOUISIANA

Under provisions of state law, this report is a public document. A copy of the report has been distributed to the audited, or to be audited, entity and other agencies and state officials. This report is available for public inspection at the Bureau House office of the Legislative Auditor for and, where appropriate, in the office of the parish clerk or mayor.

DECEMBER 31, 1996

Adopted Date 2-6-97